

## **Fast Facts on the California Economy**

### **Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy**

California is one of the ten largest economies in the world with a 2008 gross state product (GSP) of \$1.84 trillion.<sup>1</sup> The latest California Research Bureau estimate of California foreclosures is 1.1 million between 2007-2012; currently California has 435,527 foreclosed properties.<sup>2</sup> May unemployment was at 12.4% (seasonally adjusted) representing an estimated 2.25 million unemployed workers in California.<sup>3</sup>

### **California's Global Economy**

- In 2008, California's total GSP was \$1.84 trillion as compared to the United States with an estimated gross domestic product (GDP) of \$14.2 trillion.<sup>4</sup>
- In 2008, California's GSP ranks it as the 8<sup>th</sup> largest economy in the world, following the United States (\$14.2 trillion), Japan (\$4.90 trillion), China (\$4.33 trillion), Germany (\$3.65 trillion), France (\$2.85 trillion), United Kingdom (\$2.64 trillion), and Italy (\$2.29 trillion).<sup>5</sup>
- Major industrial economies smaller than California's include Brazil (\$1.61 trillion) Russian Federation (\$1.6 trillion) Spain (\$1.6 trillion), and Canada (\$1.4 trillion).<sup>6</sup>

### **Job Market**

- In May 2010 there were 13,905,500 jobs in nonfarm industries. California nonfarm payrolls gained 28,300 jobs in May followed by a (revised) 25,400 job-gain in April, and a 14,000 job-gain in March 2010.<sup>7</sup>
- Within nonfarm industries, six sectors saw month-over job gains, four sectors saw month-over job declines, and one sector remained unchanged. The sectors with increased employment in May were: government (30,000); information (4,700); professional and business services (4,200); leisure and hospitality (3,600); other services (2,400); and manufacturing (1,300). Sectors that lost jobs in May, in order of job loss magnitude, were: trade, transportation and utilities (9,600); education and health services (5,100); construction (2,200); and financial activities (1,000). Mining and logging were unchanged over the month. These employment numbers include a range of employment from full-time to the minimally employed.<sup>8</sup>
- From May 2009 to May 2010, nonfarm businesses have lost 244,700 jobs in payrolls, down 1.7% since May 2009 and more than the rate decrease of the nation of (0.4%).<sup>9</sup>
- From May 2009 to May 2010, nonfarm jobs rose in three of the 11 major industry sectors: education and health services, and government.<sup>10</sup>

**Unemployment (May 2010) These numbers are not seasonally adjusted as compared to the seasonally adjusted unemployment number above. The monthly unemployment numbers by there nature are not seasonally adjusted.)**

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|--|---|
| • Statewide: 11.9% (Up from 11.0% in 2009)       | • Los Angeles County: 12.1% (Up from 11.2% in 2009)               |
| • Alameda County: 11.1% (Up from 10.4% in 2009)  | • Riverside County: 14.0% (Up from 12.8% in 2009)                 |
| • Colusa County: 18.0% (Up from 16.2% in 2009)   | • Sacramento County: 12.1% (Up from 10.8% in 2009)                |
| • Contra Costa: 10.9% (Up from 9.9% in 2009)     | • Santa Clara County: 11.0% (Up from 10.9% in 2009) <sup>11</sup> |
| • Fresno County: 15.9% (Up from 14.3% 2009)      |   |
| • Imperial County: 27.5% (Up from 27.1% in 2009) |   |

### **In-sourcing of Jobs**

- U.S. subsidiaries of foreign companies in California employ 572,500 California workers.<sup>12</sup>
- California ranks 1<sup>st</sup> in the United States in the number of employees supported by U.S. subsidiaries.<sup>13</sup>
- In 2007, foreign-controlled companies employed 605,600 Californians and accounted for almost 9% of total manufacturing employment in California and 4.7% of the state's total private-industry employment.<sup>14</sup>
- At the national level, U.S. subsidiaries employ 5.3 million Americans and support an annual payroll of \$364.2 billion.<sup>15</sup>

### **Energy Market**

- California produces 12.9% of the natural gas, 38.12% of the crude oil, and 73.2% of the electricity it uses. The remaining electricity and natural gas is purchased from Canada, the Pacific Northwest, the Rocky Mountain States and the Southwest. The remaining crude oil is imported from Alaska and foreign sources.<sup>16</sup>
- The West Coast prices for Alaskan North Slope crude oil have increased to \$54.59 as of May 6 but are still 67.25 lower than a year ago.<sup>17</sup>
- Reformulated gasoline production in California, for the week ending May 1, 2010, increased 9.3% from the previous week to 7.0 million barrels, rising to the top of a 5-year range and is 6.3% higher than a year ago. Inventories for California reformulated gasoline also increased 10.2% rising above the five-year range.<sup>18</sup>

### **California's Innovation Economy**

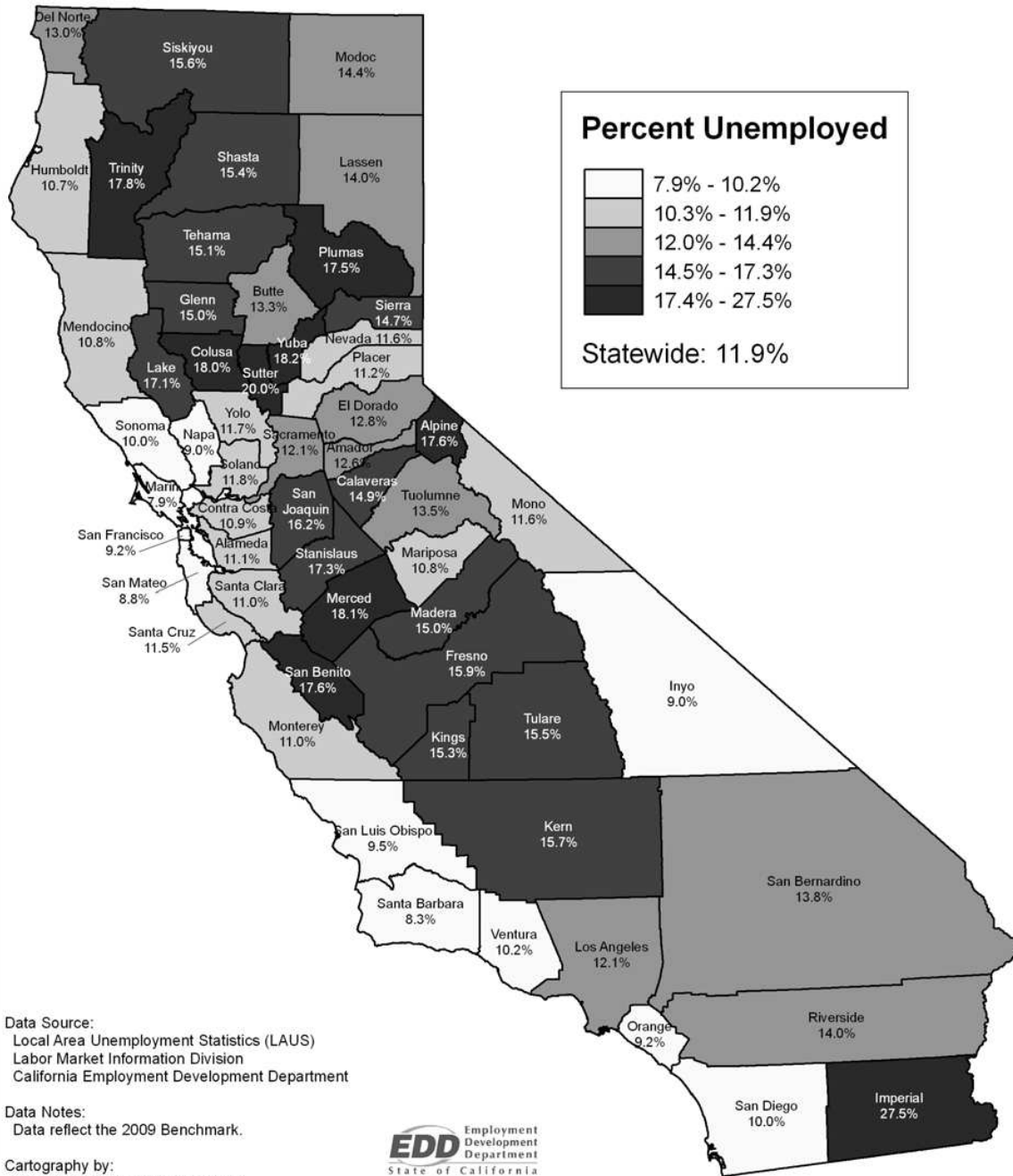
- California ranks 4<sup>th</sup> among 50 states in state science and technology. Other top states include Massachusetts (1<sup>st</sup>), Maryland (2<sup>nd</sup>), Colorado (3<sup>rd</sup>), and Washington (5<sup>th</sup>). The index ranks states based on research and development dollars, number of patents issued, venture capital investment, and business starts.<sup>19</sup>
- California ranks 1<sup>st</sup> among 50 states for patents issued in 2009 when 23,354 total patents were granted. Other top performing states include Texas (6,436 patents), New York (6,127 patents), Washington (4,856 patents), and Massachusetts (4,038 patents).<sup>20</sup>
- California ranks 1<sup>st</sup> in start-ups and 1<sup>st</sup> in new branches in high-tech manufacturing. Other top ranking states include Texas, Florida, New York, and Michigan for start-ups and Texas, Florida, Georgia, and New York in new branches.<sup>21</sup>
- The University of California system ranks 2<sup>nd</sup>, with Caltech ranking 3<sup>rd</sup> and Stanford ranking 4<sup>th</sup>, among all universities in the U.S. for the ability to transfer intellectual property (biotech research and patents) into commercial uses. These rankings are demonstrated in the Technology Transfer and Commercialization Index. Other top ranking universities include MIT (1<sup>st</sup>) and University of Florida (5<sup>th</sup>).<sup>22</sup>

### **California Trade and Foreign Investment Activity**

- California merchandise exports were down for the 8<sup>th</sup> month in June, 2009 according to the UC Center in Sacramento California's year to date exports of \$56.3 billion are down 23% from \$73.2 billion in 2008.<sup>23</sup>
- Exports from California accounted for 11% of total U.S. exports in 2009.<sup>24</sup>
- California's export shipments of merchandise in 2009 totaled \$120 billion, ranking California second only to Texas (\$163 billion) among the states in terms of total exports of products.<sup>25</sup> If the value of services were added to the export of profit, it is likely that California would rank first in total exports.<sup>26</sup>
- Small and medium-sized firms generated more than two-fifths (44%) of California's total exports of merchandise in 2007, well above the 30% export share nationally.<sup>27</sup>
- California's top three export markets in 2009 were Mexico (\$17.5 billion), Canada (\$14.3 billion), and Japan (\$10.9 billion), respectively.<sup>28</sup>
- In 2009, the state's leading export category was computers and electronic products, representing 29% (\$35.2 billion) of California's total merchandise exports.<sup>29</sup>

# County Unemployment Rates

May 2010 (Not Seasonally Adjusted)



Data Source:  
Local Area Unemployment Statistics (LAUS)  
Labor Market Information Division  
California Employment Development Department

Data Notes:  
Data reflect the 2009 Benchmark.

Cartography by:  
Labor Market Information Division  
California Employment Development Department  
<http://www.labormarketinfo.edd.ca.gov>  
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**EDD** Employment  
Development  
Department  
State of California

**LaborMarketInfo**

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